IV.   ANALYSIS OF REGIONAL JOBS/HOUSING BALANCE ISSUES

This section presents the findings from three analyses used to first measure the jobs/housing balance in the region and second, examine how the jobs/housing balance affects the region's ability to house its future population. Thirdly, the report views the jobs/housing balance in terms of current and planned future land use patterns. The methodology and limitations of each analysis are detailed in the appendix of the report. The three analyses in this section include:

- Current and forecast jobs/housing balance ratios by regional statistical area (RSA); and
- A household growth and jobs/household growth "footprint" to determine the amount of land necessary to house the future population; and
- A comparison of ratios of current employment to residential land use patterns versus the land use patterns of vacant land that is zoned for employment to residential uses.

A.   Current (1997) and Forecast (2025) Jobs/Housing Ratios
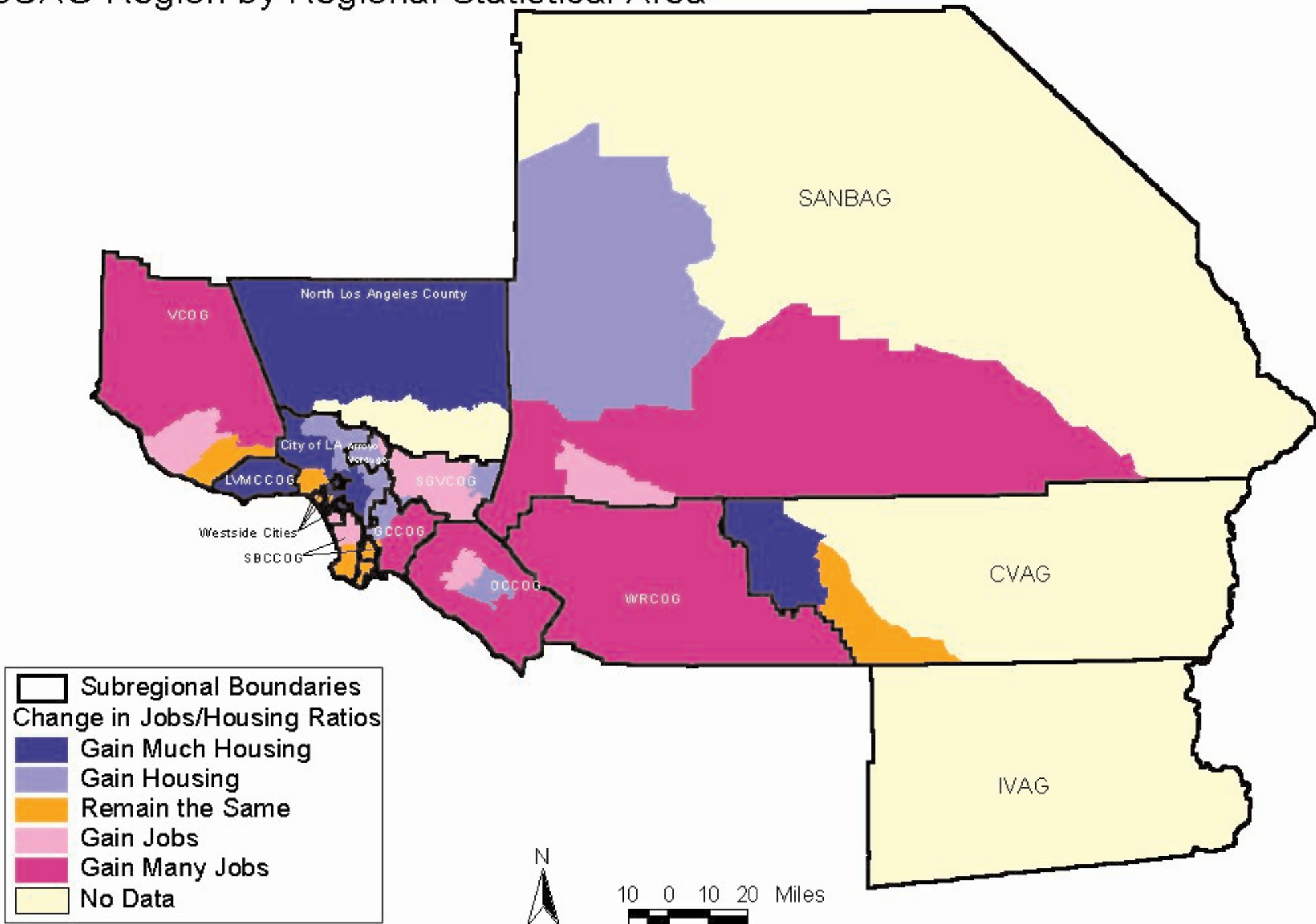
1. Overview

This analysis depicts current (1997) and forecast (2025) jobs housing ratios by Regional Statistical Area (RSA) SCAG estimated current employment and housing by RSA using state employment and housing data (Employment Development Department and Department of Finance). SCAG generated forecast data using macro-level statistical models supplemented by local input. Map 2 displays the areas that were housing rich, jobs rich, or relatively balanced in 1997, while Map 3 displays forecast jobs/housing ratios for 2025. Map 4 depicts the change in the ratios over this time period. It displays which areas are expected to have an increase in housing, an increase in jobs, or have a jobs/housing ratio that remains relatively similar to the 1997 ratio. As further explained in the appendix, this paper defines "balanced" RSA ratios as those falling within the middle 20% of the fifty-five RSA ratios for 1997. Tables 7-11 depict the top ten RSAs in actual numbers of jobs and actual numbers of households for 1997 and 2025.

2. Analysis Results

The map of the jobs/housing ratios for 1997 (Map 2) shows the dichotomy between the western and eastern portions of the SCAG region. Jobs are concentrated primarily in Los Angeles and Orange Counties. The top ten RSAs in terms of number of jobs are in these two counties, with nine of them in Los Angeles County (Table 3).

Table 7		
Top 10 Job Regions 1997, by RSA		
RSA	Major City/Region	1997 Jobs (In 1,00
17	Culver City/ West LA	594
21	South Gate/ Gateway Cities	461
12	San Fernando Valley	399
25	Pasadena	354
42	Santa Ana	316
18	South Bay	313
22	Downey	286
23	LA CBD	270
19	Torrance	254
26	Covina	252
Source: SCAG Draft 2001 RTP		
Note: RSAs are not equal in size and, geographically, may be very large or sm depending on the variables used in defining these statistical areas.		

Map 4. Change in Jobs/Housing Ratios between 1997 and 2025 in the SCAG Region by Regional Statistical Area

SANBAG

North Los Angeles County

VCOG

City of LA Arroyo Verdugo

SGVCOG

LVMCCOG

Westside Cities

SBCCOG

GCCOG

OCCOG

WRCOG

CVAG

IVAG

Subregional Boundaries

Change in Jobs/Housing Ratios

- Gain Much Housing
- Gain Housing
- Remain the Same
- Gain Jobs
- Gain Many Jobs
- No Data

N

10 0 10 20 Miles

Source: SCAG 2001 Draft RTP (

April 2001

RSAs with high jobs/housing ratios in 1997 are termed "jobs-rich" and include:

- Central and southern Los Angeles County, including the Central Business District of Los Angeles, the San Fernando Valley, the South Bay, and many of the industrial cities in the Gateway Cities subregion
- Northern Orange County
- Ventura County along the 101 Freeway corridor

RSAs with low jobs/housing ratios in 1997 are termed "housing-rich" and include:
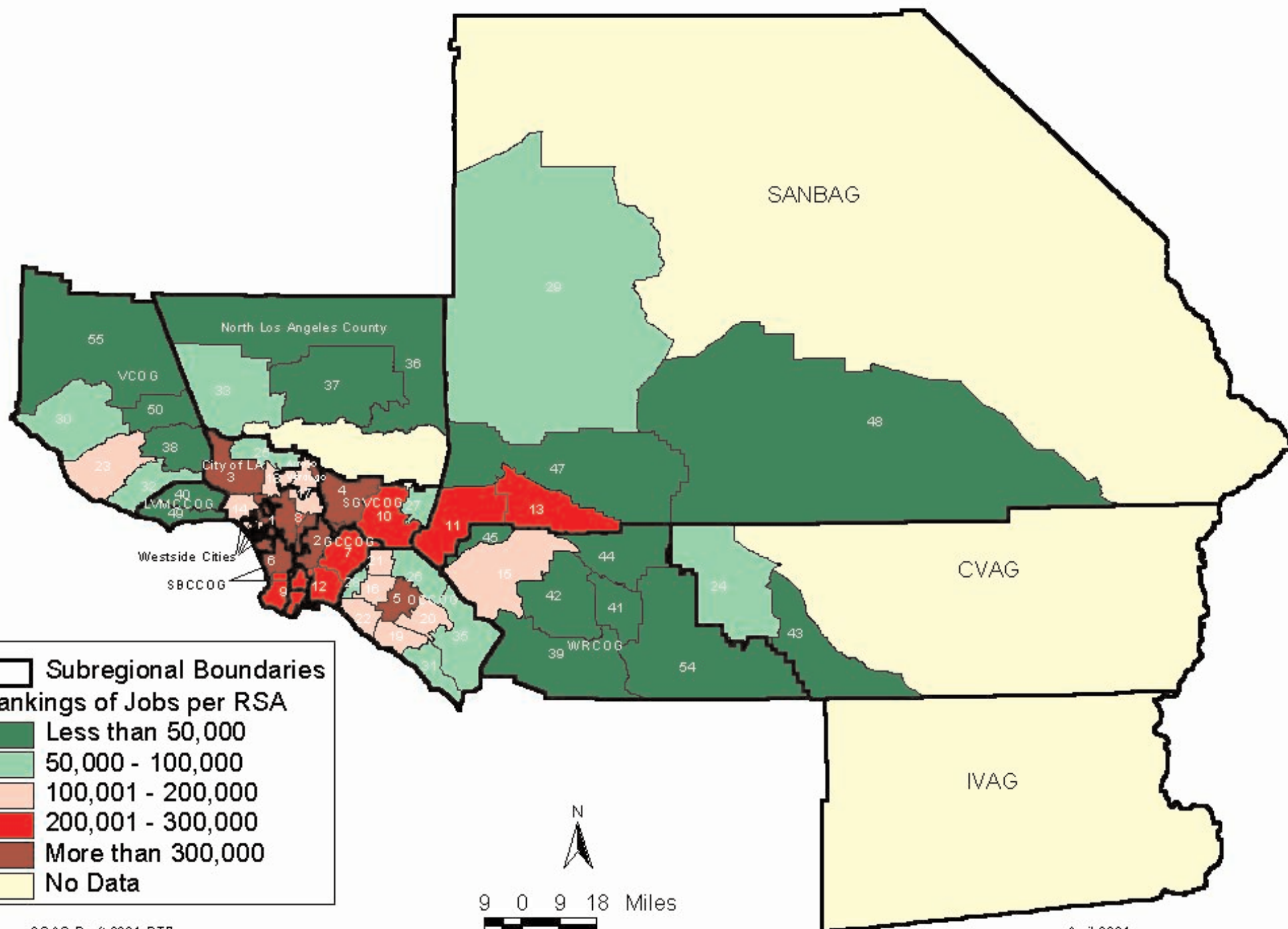
- North Los Angeles County
- Eastern and southern Orange County
- The Inland Empire

The picture changes somewhat in the forecast for 2025 (Map 3). The Ontario RSA is forecast to have tremendous job growth. It is forecast to move from eleventh place to third place in terms of the greatest number of jobs in an RSA (Table 8 and Map 5 and 6). The Riverside/Corona RSA jumps to seventh place from fifteenth, and the San Bernardino RSA moves from thirteenth place to ninth place in the rankings during the twenty-five year period (Table 8). Los Angeles County is forecast to have six RSAs in the top ten for number of jobs in 2025.

Table 8		
Top 10 Job Regions 2025, by RSA		
RSA	Major City/Region	2025 Jobs (In 1,000s)
17	Culver City/West LA	706
21	South Gate/Gateway Cities	537
28	Ontario	493
12	San Fernando Valley	459
25	Pasadena	440
42	Santa Ana	409
46	Riverside/Corona	385
18	South Bay	375
29	San Bernardino City	367
22	Downey	348
Source: SCAG Draft 2001 RTP		

Almost all of Orange County is projected to be jobs-rich if not very jobs-rich in 2025. Looking at the actual number of households versus the actual number of jobs in 2025, it is evident that Orange County is not adding enough housing to adequately house all of the county's workers. While the Santa Ana RSA ranks fifth in jobs in 1997, it ranks fifteenth in housing (Table 5). Its jobs ranking remains the same in 2025, while its housing ranking *decreases* to seventeenth as the jobs/housing imbalance worsens.

Map 5. Jobs per Regional Statistical Area - 1997, with Rankings

SANBAG

29

48

North Los Angeles County

55

VCOG

37

36

33

50

47

30

38

13

City of LA

3

4

SGVCOG

27

11

45

23

40

10

LVMCOG

32

49

14

1

8

44

CVAG

Westside Cities

2 GCCOG

31

26

15

24

SBCCOG

7

16

42

43

9

12

5 OCCOG

20

41

6

22

19

35

39 WRCOG

31

54

IVAG

Subregional Boundaries

Rankings of Jobs per RSA

- Less than 50,000
- 50,000 - 100,000
- 100,001 - 200,000
- 200,001 - 300,000
- More than 300,000
- No Data

N

9   0   9   18 Miles

Source: SCAG Draft 2001 RTP

April 2001

Map 6. Projected Jobs per Regional Statistical Area - 2025, with Rankings

SANBAG

North Los Angeles County
31

51
VCOG

26

46

32

48

40

30

City of LA
4

Arroyo
Verdugo

45

19

33

38

17

SGVCOG
5

3

9

16

1

18

11

43

Westside Cities

2 GCCOG

10

22

41

8

25

SBCCOG

12

13

15

6

7

35

39

27

20

21

OCCOG

14

24

34

29

WRCOG

49

42

CVAG

IVAG

Subregional Boundaries
Rankings of Jobs per RSA

■	Less than 50,000
■	50,000 - 100,000
■	100,001 - 200,000
■	200,001 - 300,000
■	More than 300,000
■	No Data

Source: SCAG Draft 2001 RTP

April 2001
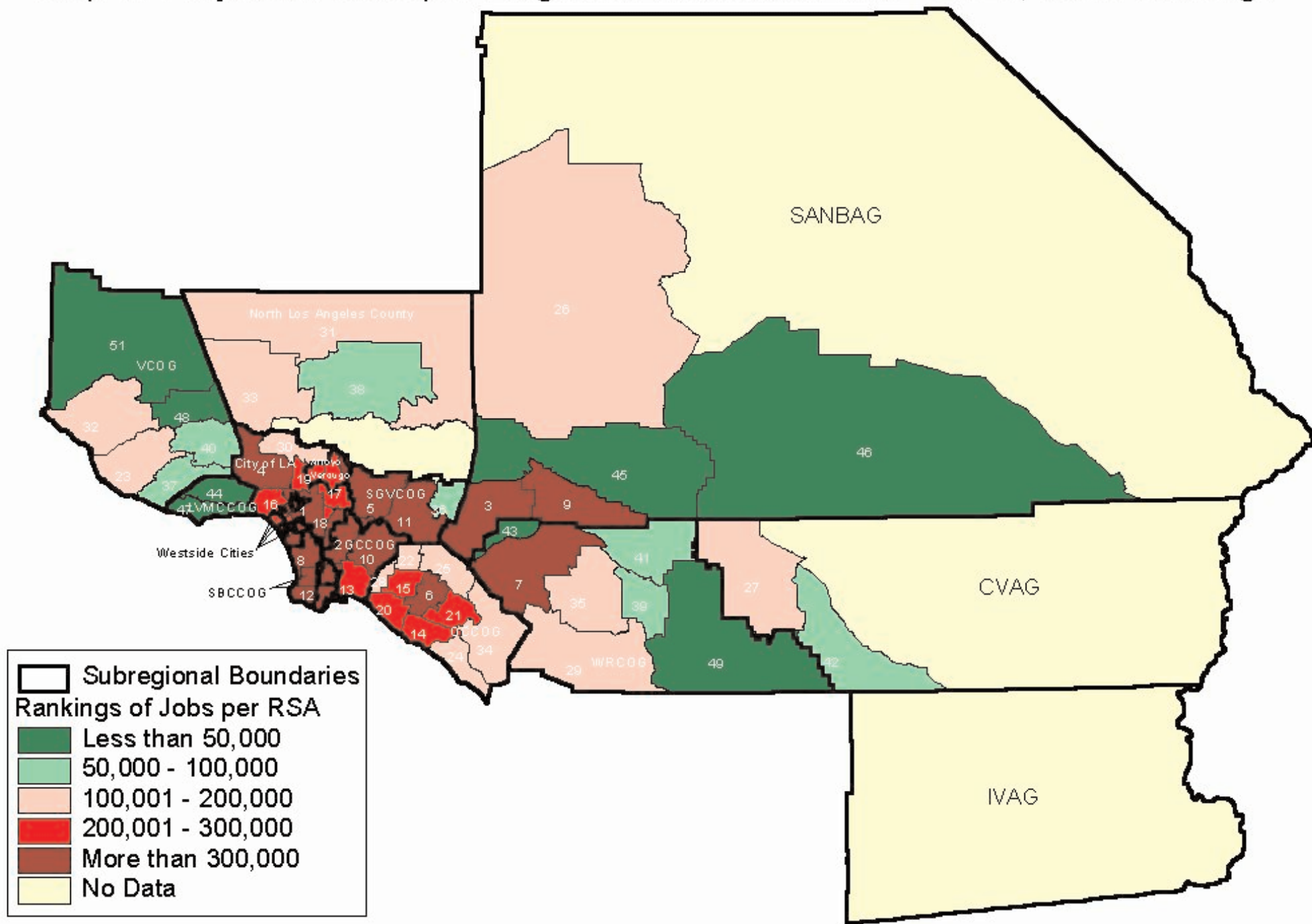
Table 9 displays the RSAs that have a jobs ranking that is four or more places higher than its household ranking, in 2025. The Central Business District of Los Angeles has the greatest difference between rankings. The next six on this list are in Orange County. Housing production is not keeping up with job production. The household rank falls in every RSA in Orange County between 1997 and 2025, with the exception of the El Toro RSA, which keeps the same low rank of 40 (Table 9). With the difference between jobs rankings and household rankings increasing significantly between 1997 and 2025 in five RSAs in Orange County, it is clear that the jobs/housing imbalance will worsen in Orange County in the next twenty-five years. The Orange County Council of Governments (OCCOG) acknowledges this fact in their *Orange County Projections –2000*. In this report, OCCOG staff observes that "The draft projections have the number of workers increasing by approximately 283,000, while the number of jobs will grow by 510,000. Thus, more and more workers will need to be imported from other areas within the region, primarily from the Inland Empire" (Gayk 2000).

Table 9					
RSAs with Jobs Rankings 4 Places or Higher than Household Rankings					
Jobs Rank 1997	Household Rank 1997	Jobs Rank 2025	Household Rank 2025	RSA	City/Region
8	38	18	38	23	LA CBD
20	40	21	40	44	El Toro
19	22	14	29	39	Newport Beach/Irvine
5	15	6	17	42	Santa Ana
21	26	22	32	36	Fullerton
26	28	25	35	41	Yorba Linda
28	31	28	36	35	Buena Park
32	37	37	43	5	Thousand Oaks
16	18	15	20	37	Anaheim
23	23	23	27	3	Oxnard
Source: SCAG Draft 2001 RTP					

Orange County is not the only area where the rankings differ by three or more. The Conejo Valley has a disparity between jobs and housing as the Thousand Oaks and Oxnard RSAs appear on the list. It should be noted that these three RSAs, while unbalanced with more jobs than housing, are unbalanced on a smaller scale than the other RSAs on this list. The imbalance is between a much smaller number of jobs and housing than the other examples in Los Angeles and Orange Counties.

These areas with disparities between the number of jobs and the number of housing units coincide with distribution of venture capital investments in the region. Los Angeles receives the greatest amount of venture capital investment, and the Central Business District has the greatest difference between jobs ranking and household ranking. Irvine ranks third in the region in investments received, with Costa Mesa and Brea also in the top ten. This coincides with so much of Orange County having a great disparity between the number of jobs and the number of households. The Conejo Valley has high technology companies of the new economy that receive large amounts of funding as well. The new economy brings high paying jobs. In these ten RSAs listed in Table 9, however, the boom in jobs has not resulted in a boom in housing production. This will be discussed in much greater detail in Section V.

Map 4, displaying the amount of change of the ratios between 1997 and 2025 suggests further suburbanization from the Los Angeles core. The Inland Empire, by and large, will gain many jobs in the next twenty-five years. Western Riverside County will gain many jobs, while the Coachella Valley will continue to be housing rich. By and large, San Bernardino County will also gain jobs. Orange County will produce many jobs throughout the county. North Los Angeles County will become even more housing rich and much of western Los Angeles County will add housing relative to jobs. Ventura County will gain many jobs.

Even with the job growth, some inland areas will still have more housing than jobs. RSAs with low jobs/housing ratios in 2025 include:

- Inland Empire RSAs of Perris, Banning, San Jacinto, Indio, Chino Hills, Victorville and mountainous RSAs in San Bernardino County,
- North Los Angeles County

Even though jobs are increasing in northern Los Angeles County, this subregion will see a greater increase in housing. In the central part of the county, there has been a renaissance in downtown living in the central business district of Los Angeles as historic buildings and office space are converted to apartments and lofts (Skelley 2000, Dublin 2000). More housing will be built in order to house the ever-growing population of the county. The City of Los Angeles projects that its jobs/housing ratio will fall from 1.41 in 1997 to 1.16 in 2025. This decline in the jobs/housing ratio shows that more people will live in Los Angeles City and that the suburbanization of jobs will continue as jobs move to Orange County and the Inland Empire from Los Angeles City. As discussed below, this implies substantial infill housing development in the City of Los Angeles due to a lack of raw, developable land within city boundaries.

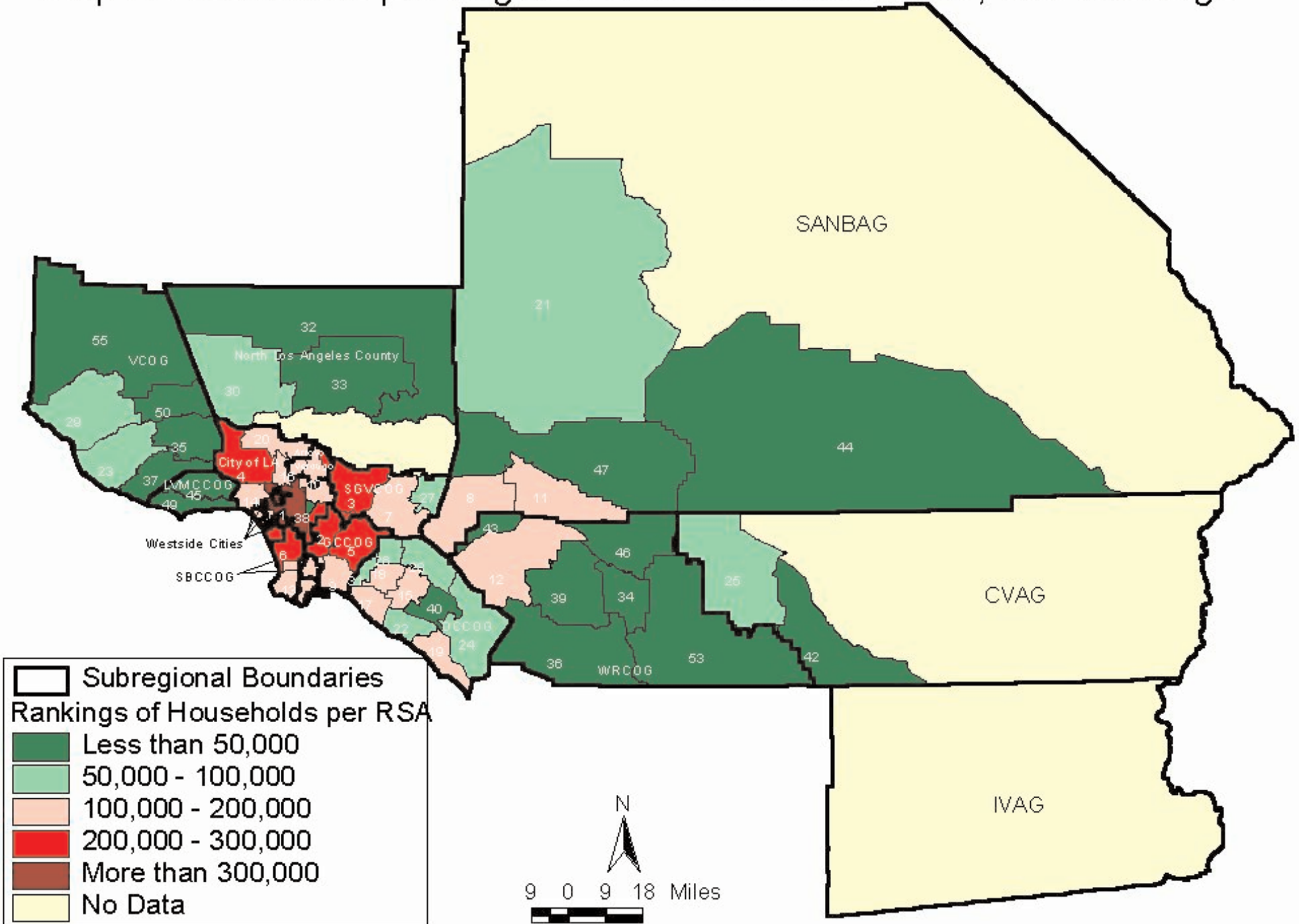RSAs with high jobs/housing ratios in 2025 include:

- The Central Business District of Los Angeles
- Southern Los Angeles County
- All of Orange County, with the exception of the Laguna Beach/San Clemente RSA
- Southern Ventura County
- Ontario in San Bernardino County

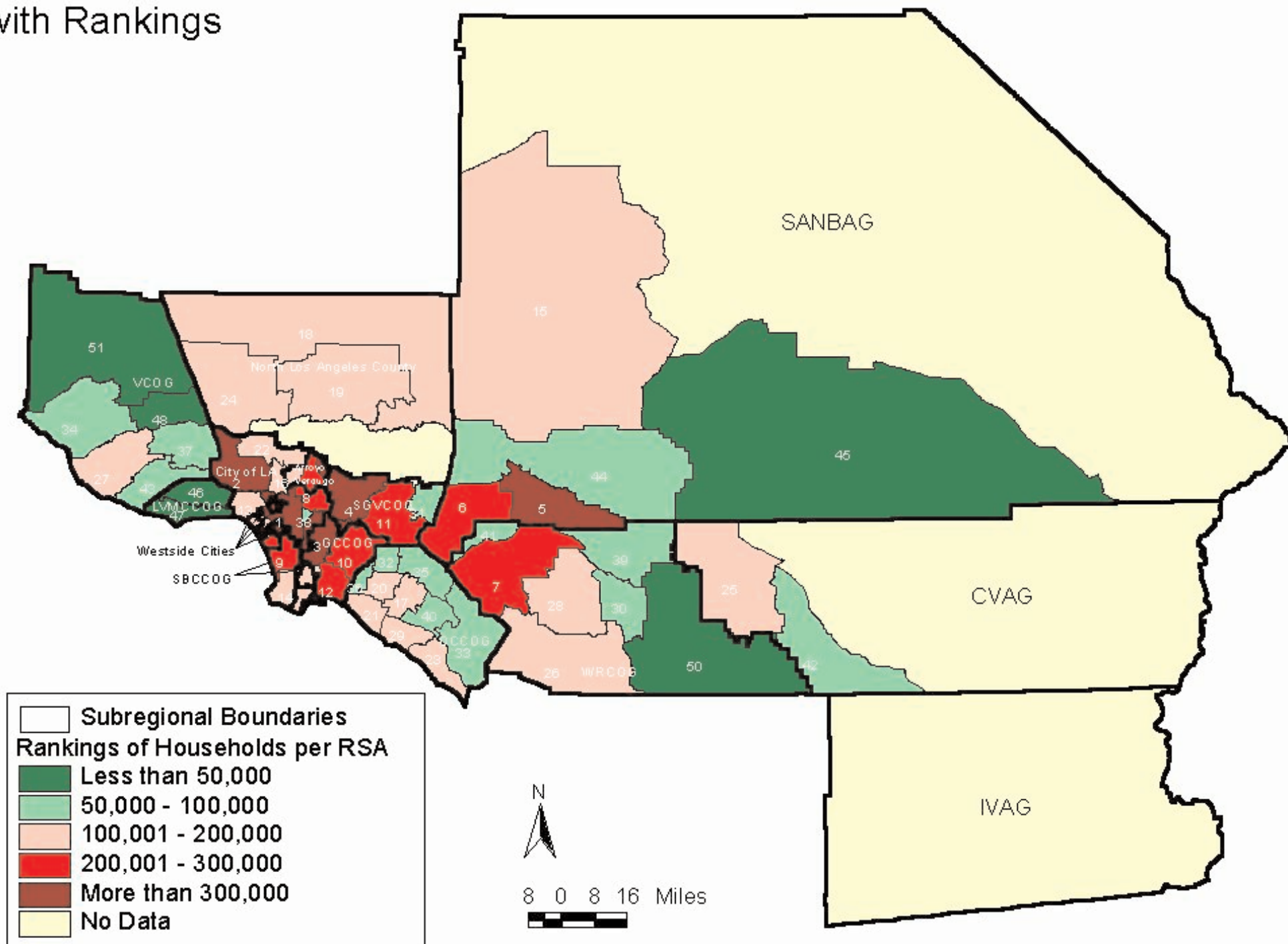| Table 10		
Top 10 Household Regions 1997, by RSA		
RSA	Major City/Region	1997 Households (In 1,000s)
17	Culver City/West LA	446
21	South Gate/Gateway	269
25	Pasadena	267
12	San Fernando Valley	257
22	Downey	218
18	South Bay	215
26	Covina	191
28	Ontario	190
20	Long Beach	185
24	Glendale	184
Source: SCAG Draft 2001 RTP		

The Culver City/ West Los Angeles RSA has a balanced jobs/housing ratio in 2025. This RSA holds the largest number of jobs in the region (Table 8) and at the same time it holds the largest number of households (Table 11). Southern RSAs in Ventura County project high jobs/housing ratios in 2025. The rankings of these RSAs, displayed in Maps 5 and 8, show that these RSAs have far fewer jobs and households than some of the "balanced" areas such as Culver City. Even though Ventura County has larger ratios than Culver City, Culver City employs and houses far more people than any one RSA in Ventura County. Maps 5 through 8 as well as Tables 8-11 are included to illustrate the importance of each RSA in relation to the rest of the region. In summary, jobs/housing imbalance is forecast to remain a problem throughout much of the region despite some shifting demographics.

Table 11		
Top 10 Household Regions 2025, by RSA		
RSA	Major City/Region	2025 Households (In 1,000s)
17	Culver City/ West LA	599
12	San Fernando Valley	364
21	South Gate/ Gateway Cities	343
25	Pasadena	313
29	San Bernardino City	305
28	Ontario	299
46	Riverside/Corona	286
24	Glendale	247
18	South Bay	244
22	Downey	239
Source: SCAG Draft 2001 RTP		

Map 7. Households per Regional Statistical Area - 1997, with Rankings

SANBAG

55

VCOG

32

North Los Angeles County

30

33

21

50

44

29

35

20

City of LA

4

47

23

37

SGVCOG

3

8

11

LVMCCOG

45

7

27

49

38

43

Westside Cities

GCCOG

5

46

SBCCOG

6

25

12

39

34

OCCOG

15

40

36

53

42

22

WRCOG

24

19

CVAG

IVAG

Subregional Boundaries

Rankings of Households per RSA

- Less than 50,000
- 50,000 - 100,000
- 100,000 - 200,000
- 200,000 - 300,000
- More than 300,000
- No Data

N

9   0   9   18 Miles

Source: SCAG 2001 Draft RTP

April 2001

Map 8. Projected Households by Regional Statistical Area - 2025, with Rankings

SANBAG

IVAG

CVAG

SGCCOG

WRCOG

North Los Angeles County

City of LA

Arroyo Verdugo

SGVCOG

VCOG

LVMCCOG

Westside Cities

SBCCOG

OCCOG

Subregional Boundaries

Rankings of Households per RSA

- Less than 50,000
- 50,000 - 100,000
- 100,001 - 200,000
- 200,001 - 300,000
- More than 300,000
- No Data

N

8   0   8   16   Miles

Orange County workers will have fewer options for affordable housing within the county, and many will continue to find housing in outlying areas in other counties. In Los Angeles County, the northern reaches will remain the housing shed of many that work in the urban core of Los Angeles. The long commute to the southern part of the county will continue for many northern Los Angeles County residents. Much of the Inland Empire will remain housing rich. The forecast job centers will be in Ontario, San Bernardino City, and Riverside-Corona. While the data indicate some degree of self-correction, the jobs/housing imbalance will continue to be a major issue in the region in 2025.

Infill housing, housing that is built in urbanized areas on underutilized or vacant lots, will be needed in both Los Angeles and Orange Counties to provide options to long commutes, both within counties and inter-county. Jobs will be needed outside of the Ontario and Riverside-Corona RSAs in the Inland Empire to help bring all of the Inland Empire into jobs/housing balance over the long term.

B.   The Household Footprint and the Jobs/Household Footprint

1. Overview

This analysis predicts the percent of vacant developable land in each county in the region needed for housing in 2025 using SCAG Draft 2001 RTP data. The analysis has two parts. The first part uses the projected number of households per county and individual counties' 1996 average density to calculate the percent of developable land required to house the projected future population. The second part of the analysis examines housing requirements associated with the number of new jobs projected for each county.

Developable land is defined in three ways. The definition used in Scenario 1 is the strictest definition of what makes up "developable" land. This definition preserves farmlands, wetlands, and other environmentally sensitive lands. Scenarios 2 and 3 use less strict definitions for "developable" land. The land definitions, methodology, and limitations of this summary are all available in the appendix. The Household and Jobs/Household Footprint analyses are taken from work done by John Landis at the University of California – Berkeley for the California Department of Housing and Community Development's report *Raising the Roof: California Housing Development Projections and Constraints 1997-2020*. It should be noted that "developable" land does not include parcels that are available within urbanized areas for redevelopment. In this analysis, available acreage consists only of previously unused land.

2. Analysis Results

If Los Angeles County and Orange County are to adequately house their projected households, these counties will need to examine the potential for increasing densities and for reusing urban lands through infill housing. Based on the Household Growth Footprint Scenario 1 (Table 12) and using the most stringent definition of developable lands (definitions for "developable land" can be found in the Appendix):

Table 12			
Household Growth Scenario 1			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	234%	187%	156%
Orange	146%	117%	98%
Riverside	51%	41%	34%
San Bernardin	25%	20%	17%
Ventura	57%	45%	38%
Source: HCD and SCAG Draft 2001 RTP			

- Los Angeles County cannot meet its needs at current densities or at 150% current densities
- Orange County will need 98% of its land to meet its needs at 150% of current densities
- Riverside and Ventura Counties both will use more than 50% of their land to meet the projected needs, based on current densities

Table 13			
Household Growth Scenario 2			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	132%	106%	88%
Orange	76%	61%	51%
Riverside	35%	28%	24%
San Bernardin	23%	19%	16%
Ventura	19%	15%	13%
Source: HCD and SCAG Draft 2001 RTP			

Using all developable and accessible (land within 10km of an existing roadway or urban development) lands in Scenario 2, Los Angeles County still cannot meet its housing needs at its current density, as seen in Table 13. Only by increasing densities to 150% of the current density will Los Angeles be able to house its projected population. Orange County will use 76% of its developable and accessible land at current density by 2025. Increasing density will bring this number down to a more manageable amount of land. The remaining counties can easily meet their needs using all developable and accessible land.

All of the land in Los Angeles and Orange County that is developable is also accessible, so the figures for these two counties do not change when using the least strict definition of "developable lands" in Scenario 3 (Table 14). Riverside, San Bernardino, and Ventura have plenty of land to meet their future needs, using this definition of developable lands.

Table 14			
Household Growth Scenario 3			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	132%	106%	88%
Orange	76%	61%	50%
Riverside	28%	23%	19%
San Bernardin	12%	9%	8%
Ventura	18%	14%	12%
Source: HCD and SCAG Draft 2001 RTP			

Contrary to the results of this analysis in the Bay Area, the SCAG region's need for developable land decreases in every county except Orange County when the number of new households is calculated based on job growth (Tables 15-17). This suggests that the employment growth, while large, will be eclipsed by the household growth in every county except Orange County.

People continue to migrate and immigrate to the region. Current and projected population growth, however, is greatest because of natural increase. Whereas in the late 1970s and parts of the 1980s population growth was powered by immigration, the trend has reversed (Figure 2). The region's population will grow significantly even if no one migrates or immigrates to the region because the couples already living within the region are starting families.

Using the strictest definition of developable lands, Los Angeles and Orange Counties cannot house their projected 2025 populations given their current densities, as shown in Jobs/Household Footprint Scenario 1 (Table 15). Other important findings (given current densities and current workers/household ratios) include:

Table 15			
Jobs/Household Footprint Scenario 1			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	182%	146%	121%
Orange	193%	154%	128%
Riverside	46%	37%	30%
San Bernardino	23%	19%	15%
Ventura	31%	24%	20%
Source: HCD and SCAG Draft 2001 RTP			

Figure 2. SCAG Region Population Growth
Natural Increase vs. Net Migration

Source: California Department of Finance
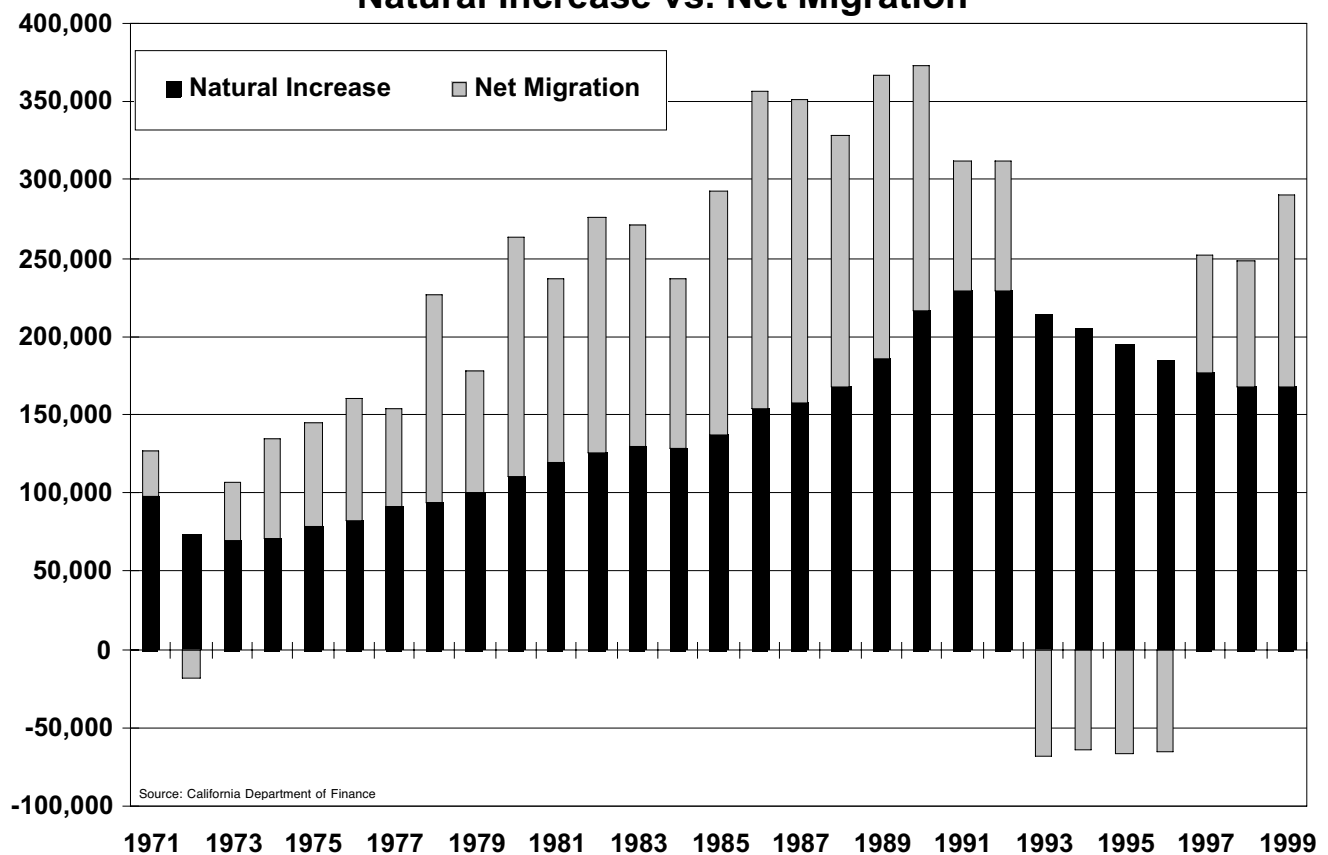
- Orange County, because of its booming economy and rapid job growth, will need almost twice the amount of land that it has available if it is to house its projected population based on job growth.
- Riverside, San Bernardino, and Ventura Counties all have the developable land to meet their housing needs.

Using all developable and accessible lands, Los Angeles County and Orange County cannot house their projected number of households at current densities (Table 16). Increasing density brings the amount of land required to less than 100%, but it does not leave much land left to satisfy housing needs beyond 2025.

Table 16			
Jobs/Household Footprint Scenario 2			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	103%	82%	69%
Orange	100%	80%	66%
Riverside	32%	25%	21%
San Bernardino	22%	17%	15%
Ventura	10%	8%	7%
Source: HCD and SCAG Draft 2001 RTP			

Comparing these two footprints, it is evident that only an increase in densities will allow Los Angeles and Orange County to accommodate future household growth. Even when a county can house its population using developable land, it should be kept in mind that this projection only goes to 2025. Exploiting all developable land by 2025 will leave little flexibility for future generations attempting to accommodate their growth needs. The disparity between Orange County's needs for housing when using the two different footprints portrays the jobs/housing imbalance in the SCAG region. Analyzing the household growth in terms of jobs, the percentage of land needed is much higher than the numbers presented when only analyzing household growth. Orange County expects high growth in employment but not nearly as high a growth in households. Orange County cities are not building a sufficient number of housing units to house their workers. Consequently, many of these workers live in other counties and commute to their jobs in Orange County.

Table 17			
Jobs/Household Footprint Scenario 3			
	% of Land Needed to Meet Demand		
County	Current Density	125% of Current	150% of Current
Los Angeles	103%	82%	69%
Orange	100%	80%	66%
Riverside	25%	20%	17%
San Bernardino	11%	9%	7%
Ventura	10%	8%	6%
Source: HCD and SCAG Draft 2001 RTP			

The SCAG region is expected to grow by six million people by 2025 (SCAG 2000). Because of this, new approaches to housing the projected population should be considered. If the region grows as forecasted, the jurisdictions within Los Angeles and Orange Counties should consider higher densities. Other possible measures to alleviate the housing shortage include infill housing and brownfields development (discussed in Section VI). These measures can reuse urban acreage to help house the future population and reduce the need for workers in urban core areas to commute long distances from their homes in outlying communities.

C. Development Capacity of 1993/1994 General Plans and Zoning to Accommodate Housing and Employment Demand

1. Overview

The purpose of this analysis is to compare the current land use patterns in the SCAG region with the zoned land use patterns of vacant land. This analysis indicates, on a countywide basis, whether planned future land use is consistent with past development trends in terms of the balance between housing and jobs.

2. Analysis Results

Orange County has the most consistency between existing and zoned future land uses in terms of residential and employment land use ratios. The county has 3.10 acres of developed residential land to every acre of developed employment land. The county's vacant land has a ratio of 3.00 acres of residential land to one acre of employment land (Table 14). As the previous two analyses have shown, however, jurisdictions in Orange County may need to increase the amount of acreage zoned for housing in order to house the county's projected future population.

Table 18		
A Comparison between Developed Land Use and Zoned Vacant Land Use (in Acres)		
County	**Developed Residential/ Developed Employment**	**Vacant Residential/ Vacant Employment**
Los Angeles	3.1	2.0
Orange	3.1	3.0
Riverside	4.4	3.2
San Bernardino	3.3	2.2
Ventura	4.0	3.0
Source: SCAG, 1993 aerial photograph, Regional Transportation Plan 1998		

The other four counties in this analysis have zoned more of their vacant land for employment activities than indicated by their current land use patterns, as exhibited in Table 14. Los Angeles County currently has 3.09 acres of residential land for every acre of employment land, but the county's vacant land is zoned for 1.97 acres of residential land to one acre of employment. There is a similarly large difference in Riverside County, where currently there are 4.42 acres of residential land to an acre of employment. The vacant land is zoned for 3.18 acres of residential land to an acre of employment land. San Bernardino and Ventura Counties both drop their ratios of residential to employment land by about one acre, from 3.27 to 2.24 in San Bernardino County and from 3.95 to 2.99 in Ventura County.

Table 19	
Ratios of Jobs Created/Housing Permits Issued, 1995-99	
Region	**Ratio**
Los Angeles	5.90
Orange County	4.31
Southern California	3.70
Inland Empire	2.52
California	2.00
Source: College of Business and Economics, CSUF	

These data indicate that all of these counties want more jobs. Their general plans from 1993 show this by designating a greater percentage of their vacant land for employment purposes compared to land use patterns. Zoning land for employment purposes comes at the expense of housing. Table 15 shows how the City of Los Angeles and Orange County have created many more jobs compared to the number of housing building permits they have issued. Their figures

are much higher than the rest of the state and are driving the region's average higher. The Inland Empire has a ratio that is above the state average, but it is less than half that of the City of Los Angeles. Less and less vacant land is being zoned for housing which will compound the housing crunch in the region and contribute to jobs/housing imbalances in jobs-rich regions. The future demand for housing was not adequately addressed in the 1993-4 general plans and it is still not being addressed as evidenced by the inadequate number of building permits issued in comparison to the number of jobs created.

These data imply that a rethinking of current zoning patterns is necessary to attain the goals and benefits of jobs/housing balance. This would be particularly pertinent to jurisdictions in jobs-rich counties, such as Los Angeles County, that are over zoned for employment-generating commercial and industrial uses according to what past development trends would justify. Orange County, while having a zoning pattern that is consistent with past development trends, would be able to house more of the population that will be working in the county if local jurisdictions revised their zoning to accommodate more housing development.

D.   Summary of Regional Jobs/Housing Balance Issues

The analysis of current and forecast jobs/housing ratios shows that the coastal areas of the SCAG Region will continue to be jobs-rich into the future. These areas are where New Economy high-tech clusters are predominantly located, and where the majority of the venture capital is being invested. High-tech clusters have very strong agglomeration economies, and clusters in the SCAG Region are already fairly dispersed relative to clusters in other regions. It will be a challenge to further disperse high-tech clusters and their sizable economic impacts to housing-rich subregions in the inland areas.

Housing-rich areas, particularly in the Inland Empire, have seen substantial job growth over the last decade. This job growth is forecast to continue, which will result in increasing jobs/housing ratios for areas in the western portion of the Inland Empire. In fact, the Regional Statistical Area (RSA) around Ontario Airport is forecast to become very jobs-rich by the year 2025. However, most of the Inland Empire is forecast to remain housing rich in 2025. Also, much of its job growth has been in relatively low-paying blue-collar sectors of the economy, and the gap in per capita income between it and the rest of the region has been increasing. The average wage of the job base of some areas in the Inland Empire is insufficient to purchase the average local house, and many local workers are forced to commute in from outlying areas where housing is less expensive.

The job growth of North Los Angeles County, another housing-rich area, has not been as robust as that of the Inland Empire. However, the new jobs created have in general been higher paying, with the migration of white-collar professional jobs to Santa Clarita Valley and with the consolidation of the aerospace industry in the Antelope Valley. North Los Angeles County is forecast to remain housing rich in 2025. In fact, the Santa Clarita RSA is forecast to change from its current balanced status to being housing-rich in 2025.

The "household footprint" and "jobs/household footprint" analyses show that there is an insufficient amount of raw, developable land in Orange and Los Angeles counties to

accommodate their forecast housing needs at current densities. Development strategies involving infill of currently vacant and underutilized lots, and developing at higher densities are necessary for these counties to meet their forecast housing needs and achieve the benefits of jobs/housing balance that are described in Section III of this report.

The analysis of the development capacity of 1993/1994 general plans and zoning shows that most counties have excess vacant land zoned for commercial and industrial uses, relative to existing land use ratios. This likely reflects the "fiscalization of land use" issue, described in Section V below. Many cities see residential development as a fiscal burden and are prone to zone an excessive amount of land for more fiscally desirable commercial and industrial uses in order to provide developers with a large portfolio of potential sites for these desired uses. From a jobs/housing standpoint, this could be justified in housing rich areas. However, this is contrary to achieving jobs/housing balance in jobs-rich counties like Los Angeles County where low and moderate-income workers are having an increasingly difficult time finding affordable housing. In the absence of strategies designed to increase the housing supply for low and moderate-income workers, long-distance commuting for many workers and its associated impacts will be a necessity.

Section V that follows describes the major dynamics that are forecast to govern regional jobs/housing balance issues in the future. These include the impacts of the high-tech New Economy and state taxation policies (i.e. the "fiscalization of land use.")

Section VI proposes a number of strategies that are designed to address these particular jobs/housing issues facing the SCAG Region. In general, they are aimed at encouraging the location and expansion of high-paying New Economy employment in outlying areas that are housing-rich, and providing for a greater production of affordable housing in jobs-rich urban areas along the coast.